

S-3250

1 Amend House File 615, as amended, passed, and
2 reprinted by the House, as follows:

3 1. By striking everything after the enacting clause
4 and inserting:

5 <Section 1. Section 2.48, subsection 3, Code 2013,
6 is amended by adding the following new paragraph:

7 NEW PARAGRAPH. f. In 2017, the innovation fund
8 investment tax credit available under section 15E.52.

9 Sec. 2. Section 15E.52, subsection 3, Code 2013, is
10 amended to read as follows:

11 3. The amount of a tax credit allowed under this
12 section shall equal ~~twenty~~ twenty-five percent of the
13 taxpayer's equity investment in an innovation fund.

14 Sec. 3. Section 15E.52, subsection 5, Code 2013, is
15 amended to read as follows:

16 5. a. To receive a tax credit, a taxpayer must
17 submit an application to the board. The board shall
18 issue certificates under this section on a first-come,
19 first-served basis, which certificates may be
20 redeemed for tax credits. The board shall issue such
21 certificates so that not more than the amount allocated
22 for such tax credits under section 15.119, subsection
23 2, may be claimed. The certificates shall not be
24 transferable. The board shall not issue a certificate
25 before September 1, 2014.

26 b. If in a fiscal year the aggregate amount of tax
27 credits applied for exceeds the amount allocated for
28 that fiscal year under section 15.119, subsection 2,
29 the board shall establish a wait list for certificates.
30 Applications that were approved but for which
31 certificates were not issued shall be placed on the
32 wait list in the order the applications were received
33 by the board and shall be given priority for receiving
34 certificates in succeeding fiscal years.

35 c. The board shall not issue a certificate to a
36 taxpayer for an equity investment in an innovation fund
37 until such fund has been certified as an innovation
38 fund pursuant to subsection 7.

39 ~~b.~~ d. The board shall, in cooperation with
40 the department of revenue, establish criteria and
41 procedures for the allocation and issuance of tax
42 credits by means of certificates issued by the board.
43 The criteria shall include the contingencies that must
44 be met for a certificate to be redeemable in order
45 to receive a tax credit. The procedures established
46 by the board, in cooperation with the department
47 of revenue, shall relate to the procedures for the
48 issuance and transfer of the certificates and for the
49 redemption of a certificate and related tax credit.

50 e. A certificate and related tax credit issued

1 pursuant to this section shall be deemed a vested right
2 of the original holder or any transferee thereof, and
3 the state shall not cause either to be redeemed in such
4 a way that amends or rescinds the certificate or that
5 curtails, limits, or withdraws the related tax credit,
6 except as otherwise provided in this section or upon
7 consent of the proper holder. A certificate issued
8 pursuant to this section cannot pledge the credit of
9 the state and any such certificate so pledged to secure
10 the debt of the original holder or a transferee shall
11 not constitute a contract binding the state.

12 Sec. 4. Section 15E.52, subsection 6, Code 2013, is
13 amended to read as follows:

14 ~~6. A taxpayer shall not redeem a certificate~~
15 ~~and related tax credit prior to the third tax year~~
16 ~~following the tax year in which the investment is~~
17 ~~made. Any tax credit in excess of the taxpayer's~~
18 ~~liability for the tax year may be credited to the~~
19 ~~tax liability for the following five years or until~~
20 ~~depleted, whichever is earlier. A tax credit shall not~~
21 ~~be carried back to a tax year prior to the tax year in~~
22 ~~which the taxpayer claims the tax credit.~~

23 Sec. 5. Section 15E.52, subsection 7, Code 2013, is
24 amended by adding the following new paragraphs:

25 NEW PARAGRAPH. d. The fund proposes to provide
26 multiple rounds of funding and early-stage private
27 sector funding to innovative businesses with a high
28 growth potential, and proposes to focus such funding on
29 innovative businesses that show a potential to produce
30 commercially viable products or services within a
31 reasonable period of time.

32 NEW PARAGRAPH. e. The fund proposes to evaluate
33 all prospective innovative businesses using a rigorous
34 approach and proposes to collaborate and coordinate
35 with the authority and other state and local entities
36 in an effort to achieve policy consistency.

37 NEW PARAGRAPH. f. The fund proposes to collaborate
38 with the regents institutions of this state and to
39 leverage relationships with such institutions in order
40 to potentially commercialize research developed at
41 those institutions.

42 NEW PARAGRAPH. g. The fund proposes to obtain at
43 least fifteen million dollars in binding investment
44 commitments and to invest a minimum of fifteen million
45 dollars in companies that have a principal place of
46 business in the state.

47 Sec. 6. Section 15E.52, Code 2013, is amended by
48 adding the following new subsections:

49 NEW SUBSECTION. 8. The board shall not certify an
50 innovation fund after June 30, 2018.

1 NEW SUBSECTION. 9. An innovation fund shall
2 collect and provide to the board the information
3 required in subsection 10, paragraphs "e" and "f",
4 in the manner and form prescribed by the board. An
5 innovation fund failing to comply with this subsection
6 may have its certification revoked by the board.

7 NEW SUBSECTION. 10. On or before January 31
8 of each year, the board, in cooperation with the
9 department of revenue, shall submit to the general
10 assembly and the governor a report describing the
11 activities of the innovation funds during the preceding
12 fiscal year. The report shall at a minimum include the
13 following information:

14 a. The amount of tax credit certificates issued to
15 equity investors in each innovation fund.

16 b. The amount of approved tax credit applications
17 that were placed on the wait list for certificates.

18 c. The amount of tax credits claimed.

19 d. The amount of tax credits transferred to other
20 persons.

21 e. The amount of investments in each innovation
22 fund.

23 f. For each investment by an innovation fund in a
24 business:

25 (1) The amount of the investment.

26 (2) The name and industry of the business.

27 (3) The location or locations from which the
28 business operates.

29 (4) The number of employees of the business located
30 in Iowa and the number of employees of the business
31 located outside Iowa on the date of the initial
32 investment by the innovation fund in the business.

33 (5) The number of employees of the business located
34 in Iowa and the number of employees of the business
35 located outside Iowa at the close of the fiscal year
36 which is the subject of the report.

37 NEW SUBSECTION. 11. Tax credit certificates issued
38 pursuant to this section may be transferred, in whole
39 or in part, to any person. A tax credit certificate
40 shall only be transferred once. Within ninety days of
41 transfer, the transferee shall submit the transferred
42 tax credit certificate to the department of revenue
43 along with a statement containing the transferee's
44 name, tax identification number, and address,
45 the denomination that each replacement tax credit
46 certificate is to carry, and any other information
47 required by the department of revenue.

48 NEW SUBSECTION. 12. Within thirty days of
49 receiving the transferred tax credit certificate
50 and the transferee's statement, the department of

1 revenue shall issue one or more replacement tax credit
2 certificates to the transferee. Each replacement
3 tax credit certificate must contain the information
4 required for the original tax credit certificate. A
5 replacement tax credit certificate may designate a
6 different tax than the tax designated on the original
7 tax credit certificate. A tax credit shall not be
8 claimed by a transferee under this section until a
9 replacement tax credit certificate identifying the
10 transferee as the proper holder has been issued.

11 NEW SUBSECTION. 13. The transferee may use the
12 amount of the tax credit transferred against the taxes
13 imposed in chapter 422, divisions II, III, and V, and
14 in chapter 432, and against the moneys and credits
15 tax imposed in section 533.329, for any tax year the
16 original transferor could have claimed the tax credit.
17 Any consideration received for the transfer of the tax
18 credit shall not be included as income under chapter
19 422, divisions II, III, and V. Any consideration
20 paid for the transfer of the tax credit shall not be
21 deducted from income under chapter 422, divisions II,
22 III, and V.

23 Sec. 7. EFFECTIVE UPON ENACTMENT. This Act, being
24 deemed of immediate importance, takes effect upon
25 enactment.

26 Sec. 8. RETROACTIVE APPLICABILITY. The sections of
27 this Act amending section 15E.52 apply retroactively to
28 January 1, 2013, for tax years beginning on or after
29 that date and for equity investments in an innovation
30 fund made on or after that date.>

31 2. Title page, by striking lines 2 and 3.

32 3. By renumbering, redesignating, and correcting
33 internal references as necessary.

COMMITTEE ON WAYS AND MEANS
JOE BOLKCOM, CHAIRPERSON